



## Brown & Brown, Inc. Announces a 55% Increase in First Quarter Earnings Per Share

April 10, 2002

DAYTONA BEACH, and TAMPA, Fla., April 10 /PRNewswire-FirstCall/ -- Brown & Brown, Inc. (NYSE: BRO) today announced a new record for its first quarter earnings.

Net income per share for the quarter ended March 31, 2002 was \$0.31, an increase of 55.0% over the \$0.20 in net income per share reported for the quarter ended March 31, 2001. Net income rose to \$20,162,000 for the first quarter of 2002, versus net income of \$12,876,000 for the quarter ended March 31, 2001, an increase of 56.6%.

Total revenues for the quarter ended March 31, 2002 were up 24.2%, to \$111,035,000, compared with \$89,410,000 recorded in the corresponding quarter in 2001. The continued firming of insurance premium rates, as well as net new business written in the first quarter, resulted in a strong internal growth rate of 13.5%, up from 11.6% in the fourth quarter of 2001.

J. Hyatt Brown, Chairman, President and CEO noted, "We are very pleased with the results that our people achieved during the quarter, especially relating to our margin on income before income taxes and minority interest which continues to climb, reaching 30.4% for the first quarter of 2002 versus 24.3% in the first quarter of 2001. This increase over the same period in 2001 is largely a result of the very rapid integration of the 28 acquisitions completed during 2001 into the Brown & Brown system, and the continued margin increases in the "old Brown & Brown" offices. Additionally, we had cash flow earnings per share of \$0.40 for the first quarter of 2002 versus \$0.29 in the first quarter of 2001 (calculated as net income plus amortization, depreciation and non-cash compensation stock grants, divided by diluted weighted average shares)."

Mr. Brown further commented that, "We are also pleased to have already completed two acquisitions, with aggregate annualized revenues of approximately \$12 million, since we raised \$150 million from the follow-on stock offering on March 6, 2002. We feel honored that a great many of our acquisitions are initiated by independent agencies that come to us, expressing a desire to join the Brown & Brown team."

Brown & Brown, Inc. and its subsidiaries provide a broad range of insurance and reinsurance products and services, as well as risk management, employee benefit administration, and managed health care services through offices located across the United States. The company is ranked by Business Insurance magazine as the nation's eighth largest independent insurance intermediary organization. Our Web address is [www.bbinsurance.com](http://www.bbinsurance.com).

This press release may contain certain statements relating to future results which are forward-looking statements. These statements are not historical facts, but instead represent only the Company's belief regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company's control. It is possible that the Company's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Further information concerning the Company and its business, including factors that potentially could materially affect the Company's financial results, are contained in the Company's filings with the Securities and Exchange Commission. Some factors include: general economic conditions around the country; downward commercial property and casualty premium pressures; the competitive environment; the integration of the Company's operations with those of businesses or assets the Company has acquired or may acquire in the future and the failure to realize the expected benefits of such integration; and the potential occurrence of a disaster that affects certain areas of the States of Arizona, Florida and/or New York, where significant portions of the Company's business are concentrated. All forward-looking statements included in this press release are made only as of the date of this press release, and we do not undertake any obligation to publicly update or correct any forward-looking statements to reflect events or circumstances that subsequently occur or of which we hereafter become aware.

Brown & Brown, Inc.  
Consolidated Statements of Income  
For the Three Months Ended March 31, 2002 and 2001  
(In thousands, except per share data)  
(unaudited)

|                                    | 2002      | 2001     |  |
|------------------------------------|-----------|----------|--|
| <b>REVENUES</b>                    |           |          |  |
| Commissions and fees               | \$110,826 | \$87,570 |  |
| Investment income                  | 355       | 1,217    |  |
| Other income (loss)                | (146)     | 623      |  |
| Total revenues                     | 111,035   | 89,410   |  |
| <b>EXPENSES</b>                    |           |          |  |
| Employee compensation and benefits | 55,400    | 46,885   |  |
| Other operating expenses           | 14,927    | 13,429   |  |
| Amortization                       | 3,269     | 3,422    |  |
| Depreciation                       | 1,715     | 1,684    |  |
| Interest                           | 1,236     | 1,749    |  |
| Non-cash stock grant compensation  | 777       | 488      |  |

|  |          |          |  |  |
|--|----------|----------|--|--|
| Total expenses                                   | 77,324   | 67,657   |  |  |
| Income before income taxes and minority interest | 33,711   | 21,753   |  |  |
| Income taxes                                     | 12,979   | 8,467    |  |  |
| Minority interest, net of income taxes           | 570      | 410      |  |  |
| Net income                                       | \$20,162 | \$12,876 |  |  |
| Net income per share:                            |          |          |  |  |
| Basic  | \$0.31   | \$0.21   |  |  |
| Diluted  | \$0.31   | \$0.20   |  |  |
| Weighted average number of shares outstanding:   |          |          |  |  |
| Basic  | 64,300   | 62,265   |  |  |
| Diluted  | 65,158   | 62,839   |  |  |

Brown & Brown, Inc.  
Core Commissions and Fees (1)  
For the Three Months Ended March 31, 2002 and 2001  
(In thousands)  
(unaudited)

|                                       | Quarter<br>Ended<br>3/31/02 | Quarter<br>Ended<br>3/31/01 | Total<br>Net<br>Change | Total<br>Net<br>Growth % | Less<br>Acquisition<br>% | Internal<br>Net<br>Revenues | Internal<br>Net<br>Growth % |
|---------------------------------------|-----------------------------|-----------------------------|------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|
| Florida                               |                             |                             |                        |                          |                          |                             |                             |
| Retail                                | \$29,689(2)                 | \$25,755                    | \$3,934                | 15.3%                    | \$1,044                  | 11.2%                       |                             |
| National                              |                             |                             |                        |                          |                          |                             |                             |
| Retail                                | 29,525                      | 22,169                      | 7,356                  | 33.2%                    | 5,599                    | 7.9%                        |                             |
| Western                               |                             |                             |                        |                          |                          |                             |                             |
| Retail                                | 16,992                      | 12,751                      | 4,241                  | 33.3%                    | 2,823                    | 11.1%                       |                             |
| Total Retail                          | 76,206                      | 60,675                      | 15,531                 | 25.6%                    | 9,466                    | 10.0%                       |                             |
| Professional                          |                             |                             |                        |                          |                          |                             |                             |
| Programs                              | 4,255                       | 3,517                       | 738                    | 21.0%                    | --                       | 21.0%                       |                             |
| Special Programs                      | 8,242                       | 5,125                       | 3,117                  | 60.8%                    | 1,854                    | 24.6%                       |                             |
| Total National<br>Programs            | 12,497                      | 8,642                       | 3,855                  | 44.6%                    | 1,854                    | 23.2%                       |                             |
| Brokerage                             | 4,012                       | 2,206                       | 1,806                  | 81.9%                    | --                       | 81.9%                       |                             |
| TPA Services                          | 6,646                       | 5,747                       | 899                    | 15.6%                    | 312                      | 10.2%                       |                             |
| Total<br>Core Commissions<br>and Fees | \$99,361                    | \$77,270                    | \$22,091               | 28.6%                    | \$11,632                 | 13.5%                       |                             |

(1) Total Commission and Fees, excluding profit sharing contingency revenues and divestitures.

(2) Excludes \$1,475,000 of commissions from a Florida-based workers' compensation insurance carrier that changed its agency commission payment policy from paying on a monthly basis to paying on an up-front annual basis.

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Web site: <http://www.bbinsurance.com>

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